

1 July 1980

MEMORANDUM FOR: Chief, Policy and Plans Group

STATINTL FROM: [REDACTED]  
Deputy Director for Community Affairs

SUBJECT: APEX - One System for Industry

STATINTL 1. [REDACTED] has legitimate concerns. They continue to crop up in spite of many efforts to address them to the satisfaction of government and industry. [REDACTED] seems to be attempting to make another try at gaining recognition for the impact of APEX and gaining acceptance of that impact by the Community's senior management. He wants to start with CIA. STATINTL

2. I think his examples are extreme. They are not as awesome as first reading gives to suspect. Reviewing his examples, some comfort can be drawn from recasting his intent into words that are more familiar.

3. When he speaks of CIA acceptance of:

• "Navy background investigations", he means that when DIS investigates contractor personnel in accordance with DCID 1/14 that the CIA would, for example, permit the contractor to enter CIA on certification of his "access approval", and a statement of justification from a CIA host. We would accept the Navy's certification of [REDACTED] access for example.

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- "Army physical inspection of SCI facilities", he means that on satisfactory completion of a Memorandum of Understanding between CIA and Army on joint use of an APEX industrial facility, and an agreement that Army has the cog, that Army will be responsible for intermittent physical inspections and that CIA will not insist on doing its own. This issue is basically the heart of the current deliberation whether physical security standards should be "minimum" or "uniform".

- "DoD adjudications of security investigations", he means DIS investigations and departmental or NSA adjudications putting us back in the scenario with the Navy above.

- "NSA-granted exceptions of the 2 person rule", he means that if NSA waives the 2 person rule in an industrial facility and CIA wants to piggyback on the facility, we can't make NSA back off, nor can we insist that the facility change. But this type issue would be presented and discussed between NSA and CIA at time of drafting of the Memorandum of Understanding.

- "AF periodic security examination of physical and procedural affairs", he means that if CIA and AF agree on using an industrial facility and AF has the cog, CIA accepts AF survey. While [ ] originally included in this idea the concept that AF would do the annual survey of documents belonging to CIA, he will be dissuaded. STATINTL

- "Nondisclosure Agreement executed under NSA aegis", he means that there is only one Nondisclosure Agreement required in the APEX System. If NSA gets an industrial team signed up for SI, the team members will have to sign the APEX Nondisclosure Agreement. When CIA comes to the team with an [ ] program, the CIA will not require execution of another Nondisclosure Agreement. CIA may have the team execute a reminder that [ ] is part of APEX. STATINTL

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• [ ] indoctrination for access to a particular system", he means that if [ ] for example, signs someone up for [ ] and subsequently CIA wants to talk [ ] with the chap, CIA will not insist on repeating the indoctrination, but will accept [ ] certification of access approval (or better yet, just check the chap's tickets on 4C and accept the evidence of the data base).

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• "DOE certification for a particular product access", he means that if the SIO of DOE says that one of his people has a need-to-know for HUMINT product or IMAGERY product, that the man meets DCID 1/14 standards, has been given a security briefing and has signed a Non-disclosure Agreement, the CIA will not question any of this, but will accept the DOE certification.

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4. When [ ] talks in paragraph 3 about DoD preparing implementing procedures to the approved APEX Security Policy Manual for Industry, he is acknowledging a couple of things. First, he is saying that APEX policy manual, now approved by NFIB calls for each department and agency to prepare implementing manuals, each of these implementing manuals will be reviewed by the APEX Steering Committee, of which [ ] is Chairman, to make sure that all aspects of it meet the APEX policy pronouncements. [ ] is also saying that no one other than DIA has even started drafting implementers. Time is running out. The DCI has set 1 January 1981 as the start date for APEX. In order to meet that date and to have available a "How to" book, [ ] proposes adoption of the DIA implementing manual.

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5. We can argue on this one, but I don't see any reason to insist on more than reserving our vote of agreement or rejection until DIA floats its draft.

6. In paragraph 5 I think [ ] is setting up the DCI and subsequently the Agency management, for a coming challenge to some of the DCID's. There is no doubt that APEX will require some review of DCID's and maybe some modification. For example, does it make continued sense to require all people be cleared for all data on a computer data base - as DCID 1/16 does? Have hardware or software controls and lockouts not progressed to some point where more security assurances can be given in 1980 than could be given in 1974-78? In connection with DCID 1/14 - I know that [ ] has heard that the investigative criteria of that document has been liberally interpreted by DIS. He spoke of putting more DCI control in any revision. This leads him to

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his mention of poly or no poly for contractors. He favors poly for all contractors and wants the DCI to support this issue fully throughout the community. But he is backing off from raising these issues at the meeting he wants to hold for CIA senior staff.

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7. In paragraph 7, [ ] takes a shot at NSA and CIA as the principal creators of difficulties because we impose more than DCID standards. I think he is addressing the need for uniform physical security standards which both NSA and CIA appear reluctant to support. He may also be addressing the poly issue. But again, it is a reflection that there is reluctance in CIA to adopt and support some aspects of the APEX single system. And that is the issue [ ] wants to bring before the DCI.

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